

# MINNESOTA • REVENUE

## PROPERTY TAX

### Border City Enterprise Zone Allocation

March 04, 2013

	Yes	No
DOR Administrative Cost/Savings		X

Department of Revenue

Analysis of S.F. 0389 (Eken) / H.F. 0515 (Lien) as introduced

#### Fund Impact

	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>
		(000's)		
General Fund	(\$2,000)	\$0	\$0	\$0

Effective July 1, 2013.

### EXPLANATION OF THE BILL

The bill allocates an additional \$2,000,000 for income, sales, or property business tax reductions to border city enterprise zones for cities on the western border of the state. The allocation will be apportioned among the cities of Dilworth, East Grand Forks, Moorhead, Ortonville, and Breckenridge by population.

### REVENUE ANALYSIS DETAIL

A small fraction of the enterprise zone payments are for property tax relief, and would have no impact on homeowner property taxes.

### PROPERTY TAX BENCHMARKS (Minn. Stat. § 270C.991)

<i>Transparency, Understandability, Simplicity &amp; Accountability</i>	Neutral
<i>Efficiency &amp; Compliance</i>	Neutral
<i>Equity (Vertical &amp; Horizontal)</i>	Neutral
<i>Stability &amp; Predictability</i>	Neutral
<i>Competitiveness for Businesses</i>	Neutral
<i>Responsiveness to Economic Conditions</i>	Neutral

The bill is scored on a three point scale (decrease, neutral, increase) for each principle in comparison to current law.

Source: Minnesota Department of Revenue  
Property Tax Division - Research Unit  
[www.revenue.state.mn.us/research\\_stats/pages/revenue-analyses.aspx](http://www.revenue.state.mn.us/research_stats/pages/revenue-analyses.aspx)

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